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MAR UZ 2020

# ANNUAL AUDITED REPORT FORM X-17A-5 PART III

Washington, DC

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/19

AND ENDING 12/31/19

	MM/DD/YY	, n	MM/DD/YY	
A. REGIS	FRANT IDENTIFICATION			
NAME OF BROKER-DEALER: W.G. Nielsen & Co.		0	FFICIAL USE ONLY	
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)			FIRM I.D. NO.	
3200 Cherry Creek South Drive S	uite 470			
	(No. and Street)			
Denver	CO	80209		
(City)	(State)	(Zip Code)		
NAME AND TELEPHONE NUMBER OF PERSO Wayne G. Nielsen 303-830-1515	ON TO CONTACT IN REGARD	TO THIS REPORT		
		(Area (	Code – Telephone Number	
B. ACCOU	NTANT IDENTIFICATION	I		
INDEPENDENT PUBLIC ACCOUNTANT whose	o oninion is contained in this Done	·+*		
Causey Demgen & Moore P.C.	e opinion is contained in this kept	nt.		
(Nan	ne – if individual, state last, first, middle n	ame)		
1099 Eighteenth St.Ste 2300	Denver	CO	80202	
(Address)	(City)	(State)	(Zip Code)	
CHECK ONE:				
Certified Public Accountant				
Public Accountant				
	tatas an any afits massassians			
Accountant not resident in United S				
FOI	R OFFICIAL USE ONLY			
· ·				

<sup>\*</sup>Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

### OATH OR AFFIRMATION

I, Wayne G. Nielsen		, swear (or affirm) that, to the best of		
ny knowledge and belief the accomp W.G. Nielsen & Co.	anying financial statement and su	upporting schedules pertaining to the firm of , as		
f December 31	, <sub>20</sub> 19, ;	are true and correct. I further swear (or affirm) that		
neither the company nor any partner		lirector has any proprietary interest in any account		
lassified solely as that of a custome				
•				
	( .			
	<del>- L</del>	Signature		
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	Presi			
$\cap$	$\bigwedge$	Title		
a lenena &	100110	TERESA L. CROSIER		
Notary Public		Notary Public		
•		State of Colorado Notary ID # 19984009015		
<ul> <li>Γhis report ** contains (check all ap</li> <li>✓ (a) Facing Page.</li> </ul>	plicable boxes):	My Commission Expires 04-27-2022		
(a) Facing Fage.  (b) Statement of Financial Cond	lition.			
(c) Statement of Income (Loss)	or, if there is other comprehensive	ve income in the period(s) presented, a Statement		
	as defined in §210.1-02 of Regula	tion S-X).		
(d) Statement of Changes in Statement of Changes in Statement	nancial Condition. ockholders' Equity or Partners' or	Sole Proprietors' Capital		
(f) Statement of Changes in Liz	abilities Subordinated to Claims o	f Creditors.		
(g) Computation of Net Capital	•			
(h) Computation for Determination	tion of Reserve Requirements Pur	rsuant to Rule 15c3-3.		
(i) A Pagangiliation including	Possession or Control Requireme	mputation of Net Capital Under Rule 15c3-1 and the		
Computation for Determinat	ion of the Reserve Requirements	Under Exhibit A of Rule 15c3-3.		
(k) A Reconciliation between the	ne audited and unaudited Statemer	nts of Financial Condition with respect to methods o		
consolidation.		- -		
(1) An Oath or Affirmation.	. 17			
(m) A copy of the SIPC Suppler	nental Report.	found to have existed since the date of the previous au-		
(ii) A report describing any mate	madequactes found to exist of	to the provious and the date of the provious au-		
		01. (1.0.17 5/ \/2\		

<sup>\*\*</sup>For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

W.G. NIELSEN & CO.

ANNUAL AUDITED REPORT

FORM X-17A-5 PART III

DECEMBER 31, 2019



Certified Public Accountants and Consultants

1099 Eighteenth Street - Suite 2300 Denver, Colorado 80202-1939 Telephone: (303) 296-2229 Facsimile: (303) 296-3731 www.causeycpas.com

#### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of W.G. Nielsen & Co.

#### **Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of W.G. Nielsen & Co. as of December 31, 2019, the related statements of income (loss), changes in stockholder's equity, and cash flows for the year then ended, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of W.G. Nielsen & Co. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

These financial statements are the responsibility of W.G. Nielsen & Co.'s management. Our responsibility is to express an opinion on W.G. Nielsen & Co.'s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to W.G. Nielsen & Co. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

#### **Supplemental Information**

The information contained in Schedules I and II has been subjected to audit procedures performed in conjunction with the audit of W.G. Nielsen & Co.'s financial statements. The supplemental information is the responsibility of W.G. Nielsen & Co.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the information in Schedules I and II is fairly stated, in all material respects, in relation to the financial statements as a whole.

CAUSEY DEMGEN & MOORE P.C.

We have served as W.G. Nielsen & Co.'s auditor since 2003.

Denver, Colorado February 28, 2020 Causey Damque & More P.C.

# W.G. NIELSEN & CO. STATEMENT OF FINANCIAL CONDITION December 31, 2019

### **ASSETS**

Cash and cash equivalents Accounts receivable-trade, net of allowance of \$0	\$ 109,694 51,046
Property and equipment: Office furniture and equipment Leasehold improvements	202,412 59,200
Less accumulated depreciation  Net property and equipment  Prepaid expenses and other assets	261,612 (239,676) 21,936 24,153
Topaid expenses and other assets	\$ 206,829
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities: Accounts payable and other accrued expenses Accrued commissions and payroll expenses Deferred rent liability Deferred revenue	\$ 22,750 28,269 60,132 10,000
Total liabilities	121,151
Commitments (Notes 3 and 6)	
Stockholder's equity: Common stock, \$.01 par value; 100,000 shares authorized, 1,000 shares issued and outstanding Additional paid-in capital Accumulated deficit	10 1,431,287 (1,345,619)
Total stockholder's equity	85,678
	\$ 206,829

### 1. Organization and summary of significant accounting policies

#### Organization:

W. G. Nielsen & Co. (the "Company") is a broker registered with the Securities and Exchange Commission (SEC) and dealer in securities under the Securities Exchange Act of 1934. The Company was incorporated in Colorado in 1996 and became licensed as a broker/dealer and commenced operations in 1997. The Company is a member of the Financial Industry Regulatory Authority (FINRA). The Company provides financial advisory and management services in the Rocky Mountain region for mergers, acquisitions, divestitures, public and private placements of debt and equity in addition to valuation services and analysis.

The Company has claimed an exemption from rule 15c3-3 of the Securities and Exchange Act of 1934. The Company participates only in direct placements and accordingly, does not hold cash or securities for the account of customers.

#### Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Accounts receivable:

The Company provides an allowance for doubtful collections which is based upon a review of outstanding receivables and historical collections information. Accounts receivables are charged off in the period they are deemed uncollectible. Recoveries of previously charged off are recorded when received. Recoveries of receivables previously charged off are recorded when received. Receivables due greater than 90 days amounted to \$2,500 at December 31, 2019.

#### Revenue:

The Company recognizes revenues for services when the services are performed and are billable.

#### Advertising costs:

The Company expenses the cost of advertising as incurred. Advertising expense was \$0 for the year ended December 31, 2019.

### 1. Organization and summary of significant accounting policies (continued)

Concentration of credit risk:

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally accounts receivable and cash. The Company's cash is held at financial institutions at which deposits are insured by the Federal Deposit Insurance Corporation (FDIC). At various times throughout the year ended December 31, 2019, the Company's cash demand deposits exceeded the FDIC's insurance limits.

Marketable securities owned:

Marketable securities owned are valued at market value.

Depreciation and amortization:

Property and equipment are stated at cost. Depreciation on office and equipment is provided by the straight-line method over the estimated useful lives of the related assets ranging from 3 to 10 years. Amortization of leasehold improvements is provided by the straight-line method over the shorter of the estimated useful life of the related assets or the lease term.

Investments:

Investments in common stock of non-controlled entities are recorded at cost and amounted to \$2,700 at December 31, 2019. During the year ended December 31, 2019, these investments were not evaluated for impairment. The fair values of the investments are not estimated because there have been no identified events or changes in circumstances that have an adverse effect on the fair value and it is not practicable to estimate fair value.

Income taxes:

Effective January 1, 2014, the Company changed its tax status from a "C" corporation to "S" corporation. As an "S" corporation, the stockholder recognizes its share of income or loss on its individual tax return.

Cash equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

#### 2. Net capital requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule for fully disclosed broker/dealers (rule 15c3-1) which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2019 the Company had net capital of \$13,008 which was \$4,931 in excess of its required net capital of \$8,077. The Company had aggregate indebtedness in the amount of \$121,151 therefore, its net capital ratio was 9.31 to 1 at December 31, 2019.

#### 3. Commitments

The Company leases office space, equipment, and an automobile under non-cancelable operating leases. Total rental expense was \$217,560 for the year ended December 31, 2019. Total rent income from month to month sub lease rental income amounted to \$53,850 for the year ended December 31, 2019.

The total minimum rental commitments at December 31, 2019 are as follows:

Year ending December 31,	Amount
2020	228,669
2021	193,954

\$ 422,623

#### 4. Income taxes

The Company is subject to accounting guidance issued by the Financial Accounting Standards Board ("FASB") related to "Accounting for Uncertainty in Income Taxes." The guidance applies to all tax positions accounted for in the financial statements, including positions taken in a previously filed tax return or expected to be taken in a future tax return.

The Company has analyzed its filing positions in Federal and state jurisdictions where it is required to file income tax returns. Management believes the Company's positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material adverse effect on its financial conditions, results of operations or cash flows.

The Company is no longer subject to U.S. Federal income tax examinations for years prior to 2015. The Company is no longer subject to Colorado income tax examinations for years prior to 2014.

#### 6. Major customer

Revenues earned from major customers are summarized in the table below, expressed as a percentage of consulting and financial advisory fees for the year ended December 31, 2019:

 Customer #1
 12.99%

 Customer #2
 12.67%

 Customer #3
 11.65%

#### 7. Profit sharing plan

The Company has established a 401(k) profit sharing plan ("the Plan"). Any employee who is 21 and has completed one year of qualifying service is eligible to participate in the Plan. Employer contributions into the Plan vest to participating employees over a six year period. Effective January 1, 2005, the Company elected to become a Safe Harbor 401(k) Plan. Safe Harbor non-elective contributions are equal to 3% of a participant's compensation up to \$275,000 in 2019. Safe Harbor non-elective contributions into the plan totaled \$29,439 for the year ended December 31, 2019. The Company did not make a discretionary employer profit sharing contribution to the Plan for 2019.

#### 8. Subsequent events

The Company has evaluated events subsequent to December 31, 2019 through February 29, 2020 which is the date the financial statements were issued. There are no material events noted in this period which would impact the results reflected in this report.